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Europe under such pressure. The first attempts have sought, as did the Granger movement in the United States, to eliminate the middlemen and lessen expenses between producer and consumer. More recently real control of the markets has been sought by means similar to those used by the industrial combination which the last decade has developed everywhere.

In the manufacture and sale of alcohol and sugar the study shows that quite as much has been accomplished in the way of control of price through regulation of production as can be shown by most other combinations, but the control is partly due to legislative aid and is not permanent. Besides, it is on the manufacturing side rather than on the agricultural that the results have been accomplished. Such success as has been attained is not of much importance as proof of the feasibility of a combination of farmers.

A certain measure of success has been reached in the distribution of special products, notably milk. Benefits to producers and consumers by the better organization here are clearly apparent, but success in these lines, through the elimination of excessive profits to the distributors, does not prove much for the more important question. No more does the co-operative work in handling the cereals through the "Kornhausgenossenschaft" prove that the farmers will ever get together sufficiently to enable them to exercise any such control over prices as they hope to do, and as has been done in a number of instances by industrial combinations.

In the text and in the appendices the author brings together in clear and concise form interesting information on a phase of the trust question that has received little attention.

W. H.

Investment and Speculation in British Railways. By WILLIAM J. STEVENS. London: Effingham Wilson, 1902. 8vo, pp. vi + 262.

British Railway Finance. By WALTER W. WALL. London: Grant Richards, 1902. 8vo, pp. viii + 410.

THESE two works are alike in several respects: they are both written by men familiar with British railways from the inside; they both deal with actual conditions of the industry rather than with the theory of transportation; they consider almost exactly the same

topics, viz., several chapters on the railway situation in general, with a full explanation of railway securities and the general financial condition of the several English systems; this general or comparative treatment is followed by a more detailed study of the English, Welsh, and Scottish railways, their financial condition and problems; each book contains an appendix giving a considerable amount of statistical information regarding capital, revenue, and expenditure for a series of years, arranged in a convenient form for the easy comparison of the financial strength of the various British railways or for comparison with our great American systems. They agree in calling attention to the unhappy prospects of the British railways. Wall says in the opening sentence of his preface:

The inauguration of the twentieth century is unfortunately not an auspicious inauguration for our home railways. Whatever prosperity they may have enjoyed in the past, there has now come a change for the worse in their fortunes, and it is impossible for any man to say, however penetrating his insight into the future may be, whether that change is temporary or permanent.

Stevens likewise:

During the past few years a complete change has taken place in the financial position and prospects of British railways: a greater change probably than any similar period in the experience of the companies has witnessed.

These two books, however, while treating the same topics and arriving at substantially similar conclusions, are so different that comparison is misleading, if not entirely impossible. Mr. Wall, even while dealing with dry statistics, makes use of a picturesque style of expression that would have betrayed his editorial pen, even if he had not openly avowed his calling. In comparing English with American methods of railway administration, to the disadvantage of the former, he dramatically exclaims: "We do not wish to imitate our friends across the Atlantic in many things they do—God forbid!" He complains that the "English railway directors are quite content to go along in the jog-trot style of a generation ago." He "thanks heaven" that "our railway administrators are not the unscrupulous men to be numbered by the dozen in America, and, happily, they have not the means nor the power to be tempted to imitate the tactics resorted to on the other side of the Atlantic." He affirms that the honesty of the English director is above suspicion, while the administration of American railways, although improving,

is "sadly wanting in purity and honesty still." Speaking more specifically of British railways, he believes that the ordinary stocks of the British railways "will become nothing else but speculative counters in the future—a great and lamentable fall, but an inevitable one unless our directors show more competence and foresight in their methods of administration." He blames the shareholders because they "allow their money to be spent as prodigally as though they were building fairy palaces with it and wanted simply to get rid of it in substantial gaudy splendor. And their money is being spent in this princely fashion as though the stream of it were inexhaustible." And so, in a catchy way, Mr. Wall has shown the weak spots in English railway administration, its too conservative policy, its lack of progress, its tendency to increase capital rather than use current earnings for improvements in the nature of repairs, its policy of drift, the contented state of the directors and the optimism of the chairman of the board; all these and other elements of weakness are mercilessly exposed, and the British investor pertinently asked: "What are you going to do about it?"

Mr. Stevens's work, while lacking those dramatic qualities that characterize the above, is the more useful book both for the British investor and for the American student of comparative railway administration and finance. It is much more than a criticism of the English railways; it is a brief, yet comprehensive, description of the whole British railway system, its financial position, its operations, and its administration. His first ten chapters, covering the topics of railway capital, gross revenue, expenses and net revenue, stocks, bonds and dividends, the value of railway stocks both from the standpoint of an investor and from that of a speculator, railway accounts and statistics, are of permanent value, and, if bound separately with the statistical tables included in the appendix, would prove a valuable text-book for a class in comparative railway administration.

Of these chapters, those on revenue, expenditures, and statistics are the most interesting to the American reader. From 1893 to 1900, Mr. Stevens points out, gross revenue increased over 24 million pounds, or nearly 30 per cent. During the same period working expenses increased still faster, or nearly 60 per cent. In 1889 the ratio of expenses to receipts was 52 per cent.; in 1901, 63 per cent. This striking change was attributed to two causes: (1) charging improvements more largely to income, and (2) increase in the cost

of labor and materials. British railways with few exceptions have been accustomed to charge improvements to capital, where with us these items would be taken out of current receipts. Stevens says that "the straining after dividends in excess of those which can properly be paid is in many cases to blame for a laxity which threatens to wreck the whole financial edifice of the British railway system." American critics of the surplus policy of our own corporations may note the dangers of the opposite policy, viz., paying out too much in dividends. This increase is partly due to increased cost of materials, but chiefly to increased wages of labor. From 1889 to 1900 the increase in the wages account was about 54 per cent., partly due to the employment of more laborers, but chiefly to a higher wage scale. Taxes during the same time increased about 60 per cent. These two latter items cannot, in the nature of things, be expected to fall off in the future. Some relief may come from cheaper materials, and especially from cheaper coal. The British railways thus find themselves in a precarious financial position. They cannot raise their rates, for they are already charging all the traffic will bear. They cannot expect lower prices of material or of labor in any large degree. They thus have one recourse only—more economical methods of administration. As an aid to economical administration Mr. Stevens thinks better accounting and statistics the "most crying need of our railways." Americans are clamoring for fuller statistics for the benefit of the investor; Mr. Stevens wants the same thing for the education of the railway administrator, "the first step toward substantial reform in methods of working." Statistics of ton mileage and passenger mileage are, with few exceptions, not even prepared for the use of the railway officers themselves. Mr. Stevens calls upon the board of trade to exercise its authority by compelling the railways to prepare and publish such statistics of railway operations.

The two books are, in fact, supplementary and ought to be read together. The former is dramatic, critical, and emphasizes the strictly financial aspects of the situation; the latter is prosy and exact, and gives its chief attention to economy of administration. Together they ought to be of public service to both British and American railway interests.

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